

**CITY OF ASHEVILLE
AND
ASHEVILLE REGIONAL HOUSING CONSORTIUM**



DRAFT
CONSOLIDATED ANNUAL ACTION PLAN
for CDBG & HOME PROGRAMS
2007

*Adopted: April ---, 2007
for the fiscal year starting
July 1, 2007*

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Section I

SUMMARY OF SOURCES AND PROPOSED USES OF FUNDS

**City of Asheville
Consolidated Action Plan 2007
Funding Sources**

CDBG

Entitlement Grant		1,278,405
Funds for re-allocation from cancelled projects		316,791
Unbudgeted 2006-07 program income		170,500
Estimated Program Income in 2007-08:		
Land sales	274,000	
Rents	10,000	
Loan Repayments	120,000	
Subtotal – City FY07 Program Income		404,000
Estimated Program Income due to Subrecipients		
Mountain Housing Opportunities	1,000	
Mountain Microenterprise Loan Fund	8,000	
Neighborhood Housing Services	6,000	
Subtotal – Subrecipient FY08 Program Income		15,000
Total CDBG Funds Available		<u><u>2,184,696</u></u>

HOME

HOME Entitlement Grant	1,335,868
American Dream Downpayment Initiative	24,926
Funds for re-allocation from cancelled projects	257,480
Program Income (Asheville)	<u>67,000</u>
Total HOME Funds Available	<u><u>1,685,274</u></u>

Summary of Proposed Use of Funds Year Beginning July 1, 2007

Agency	Project	Proj ID	CDBG	HOME	Other	Total
AAHH	Housing Services	1	80,000		88,800	168,800
ABCRC	Fair Housing	2	50,000		286,500	336,500
AHC	HomeBase Housing Services	3	60,000		198,000	258,000
AHC	Homeless Initiative (10-Year Plan)	4	30,000		36,000	66,000
COA	Burton Street Traffic Calming	5	15,000		6,000	21,000
COA	Burton Street Community Center	6	155,000		60,000	215,000
CCCS	Credit Counseling	7	30,000		365,500	395,500
HPMT	Helpmate – Victims of Domestic Abuse	8	8,000		322,000	330,000
HB	Homeless Programs	9	90,000		650,000	740,000
HB	Supportive Housing Services	10	30,000		106,000	136,000
HACA	Hillcrest Youth Enrichment	11	34,000		98,000	132,000
HACA	Lee Walker Heights	12	20,000		0	20,000
MHO	Emergency Repair	13	156,000 **		24,000	180,000
MHO	Tier II Home Repair	14	150,000 **		8,000	158,000
MHO	Housing Services	15	133,000		125,900	258,900
MBW	Micro-Business Development	16	120,000		301,000	421,000
MBC	Small Business Loan Pool	17	108,000 **		715,000	823,000
NHS	Direct Homebuyer Assistance	18	382,250 **		1,900,000	2,282,250
NHS	Community Organizing	19	10,000		90,000	100,000
PLS	Homelessness Prevention	20	30,000		209,000	239,000
PLS	Resource Development	21	40,000		0	40,000
COA	Section 108 Debt Service	22	66,500		0	66,500
COA	Program Administration & Planning	23	230,681		0	230,681
	Contingency	24	156,265 **		0	156,265
AHC	Tenant Based Rent Assistance (Asheville & BC)			31,076	9,500	40,576
BC	NHS Direct Homebuyer Assistance	25		164,076	800,000	964,076
HAC	Scattered Site N/C (Henderson Co.)	26		81,276	320,000	401,276
HC	Downpayment Assistance (HAC)	27		64,076	600,000	664,076
HC	Habitat - Shuey Knolls Subdivision	28		159,076	1,400,000	1,559,076
HB	Tenant Based Rent Assistance (Asheville)	29		44,076	25,000	69,076
MC	Homeowner Rehabilitation	30		90,326	454,000	544,326
MHO	Glen Rock Apartments (Asheville)	31		199,076	7,198,062	7,397,138
MHO	Clingman Lofts (Asheville)	32		99,076	2,688,924	2,788,000
MHO	Ralph Street Development (Asheville)	33		176,606	8,743,394	8,920,000
MHO	Self Help Homeownership (Black Mtn)	34		139,076	431,900	570,976
MHO	Housing for Veterans (Asheville)	35		48,076	0	48,076
NHS	American Dream Downpayment Initiative	36		24,926	300,000	324,926
VOAC	Skyland Apartments (Asheville)	37		164,077	7,831,786	7,995,863
COA	HOME Program Administration	38		133,586	0	133,586
	CHDO (Non-Profit) Operating Expense	39		66,793	0	66,793
TOTAL			2,184,696	1,685,274	36,392,266	40,262,236

** Includes estimated program income

Agency Index: AAHH - Asheville Area Habitat for Humanity; ABCRC - Asheville Buncombe Community Relations Council; AHC - Affordable Housing Coalition; BC – Buncombe County; CCCS - Consumer Credit Counseling Service; COA - City of Asheville; HAC - Housing Assistance Corporation; HACA - Housing Authority of the City of Asheville; HB – Homeward Bound of Asheville; HC – Henderson County; HPMT – Helpmate; MC – Madison County; MHO - Mountain Housing Opportunities.; MBC - Mountain BizCapital; MBW – Mountain BizWorks; NHS - Neighborhood Housing Services of Asheville; PLS - Pisgah Legal Services; VOAC – Volunteers of America of the Carolinas

Section II

ACTION PLAN NARRATIVE

CITY OF ASHEVILLE CONSOLIDATED ACTION PLAN Year Beginning July 1, 2007

Introduction

The **Consolidated Action Plan** is a planning document that the City of Asheville submits each year to the U. S. Department of Housing and Urban Development (HUD). It details how the City of Asheville and the Asheville Regional Housing Consortium propose to spend CDBG and HOME funds during the next program year.

CDBG funds can be used for a wide range of activities, including housing rehabilitation, economic development, public improvements and social services, but are restricted in location to the City of Asheville. HOME funds must be used solely for the production of affordable housing and may be used anywhere within the area covered by the Asheville Regional Housing Consortium, which comprises the counties of Buncombe, Henderson, Madison and Transylvania.

The Action Plan is the main tool for implementing the **Consolidated Strategic Plan** for the City of Asheville and the Asheville Regional Housing Consortium. The current Strategic Plan covers the five-year period: July 1, 2005 through June 30, 2010. This five-year plan, developed with help from area residents, local governments, non-profits and other interested groups, sets out needs and priorities for housing and community development activities for the next five years, strategies to be pursued, and performance targets for both outputs and outcomes to be achieved through CDBG- and HOME-funded activities. The desired outcomes for **affordable housing**, **homelessness**, and **non-housing community development** are listed in the relevant sections below, with an estimate of the contributions expected from the programs funded this year.

The plan also discusses citizen participation in the funding process, the process for monitoring program progress, and further detail on homeless programs, public housing activities, and other HUD priorities.

Overview of Action Plan

This Action Plan details the proposed use of **\$2,184,696 in CDBG funds** and **\$1,685,274 in HOME funds**. These funds will be used to assist a total of 39 projects (23 CDBG-funded and 16 HOME-funded) carried out by 18 local government agencies or non-profit subrecipients.

This funding includes estimates of **program income receipts** expected during the program year, either by the City or by subrecipients. Income from loan repayments can be estimated with some confidence, but this year's income also includes \$274,000 from the sale of property on Ralph Street (originally purchased using CDBG funds) which is under contract and expected to close in January 2008. The allocation of these funds to three projects (NHS Homebuyer Assistance, MHO Tier II Repair program, and Mountain BizCapital Loan Fund) will be conditional on the sale closing.

Distribution of Funds by Project Type

Project Type	No. of Projects	Funding \$	Percent of Funding
<u>CDBG</u>			
Housing Programs (incl. housing services and housing for homeless)	8	1,011,250	46%
Public Facilities & Infrastructure	2	170,000	8%
Public Services	6	242,000	11%
Economic Development	2	228,000	10%
Planning, Capacity Building	3	80,000	4%
Program Admin	1	230,681	11%
Debt Service	1	66,500	3%
Contingency		156,265	7%
CDBG Total	23	2,184,696	100.%
<u>HOME</u>			
New Construction for Homeownership	5	655,110	39%
New Construction (or conversion) for Rental	3	411,229	25%
Rehabilitation or repair of owner-occupied units	1	90,326	5%
Direct Homeownership assistance	3	253,078	15%
Tenant-Based Rent Assistance	2	75,152	4%
Administration, Planning, CHDO operating costs	2	200,379	12%
HOME Total	16	1,685,274	100%

Housing (CDBG: \$1,011,250; HOME: \$1,484,895)

The production and preservation of decent, safe and affordable housing remains the principal focus of our Consolidated Plan. One hundred percent of HOME funds (excluding administration) and 46 percent of CDBG funds are allocated for this purpose and will assist 22 projects, producing 464 affordable housing units. Projects will be located throughout the Consortium's area, except Transylvania County.

New construction for homeownership continues at new and existing sites in Asheville, Henderson County, and Black Mountain, but there is a greater emphasis this year on both CDBG and HOME funding for **downpayment assistance**, enabling income-qualified buyers to buy new or existing homes of their choice.

Construction of **new rental housing** is assisted in two major developments – 60 units of family housing at Glen Rock Apartments in Asheville's riverside development area (partially funded in 2005), and 63 units for the elderly at Skyland Apartments in South Asheville. Both developments are applicants for state and federal Low Income Housing Tax Credits. In addition, improvements at Lee Walker Heights Apartments in Asheville will enhance 96 public housing units.

Funding for **owner-occupied housing rehabilitation** continues through programs in Asheville and Madison County.

HOME funds are allocated for two **rent assistance** programs, one geared to helping households with the initial costs of accessing decent rental housing, the other providing longer term rent payments for formerly homeless individuals.

CDBG funds are also used for **housing services**, helping four non-profit housing agencies provide counseling and other services to their low-income clients and identify and plan new housing development opportunities.

The table below shows that the number of units that will result from these projects exceeds our annual Strategic Plan targets in every category.

Projected Housing Production Assisted with CDBG and HOME funds

Housing Production Type	Annual Target	This year's allocations will assist (units)
New Construction for Homeownership	40	79
New Construction (or conversion) for Rental	60	123
Rehabilitation or repair of owner-occupied units (including acquisition/rehab/resale)	40	61
Rehabilitation of existing rental units	15	96
Homeownership assistance only ("downpayment assistance")	10	37
Assistance with rent and/or relocation costs	35	68
Total units	200	464

In addition to the housing programs detailed in this plan, both the City of Asheville and Buncombe County continue to provide flexible loan funding for affordable and moderately priced housing development through their **Housing Trust Funds** and **Fee Rebate** programs.

Public Services (CDBG: \$242,000)

Six programs are funded. They cover several priority areas in the Strategic Plan (services to the homeless and homelessness prevention, fair housing enforcement, financial counseling, and youth services). New this year is a grant to enhance services to victims of domestic abuse. Including leveraged funding, these programs will serve over 4800 people.

Public Facilities/Infrastructure Improvements (CDBG: \$170,000)

Two improvement projects are funded in the Weed & Seed Neighborhood Revitalization Area in West Asheville: traffic calming on Burton Street and renovation of the Burton Street Community Center.

Economic Development (CDBG: \$228,000)

Funding is continued for small business development through Mountain Bizworks and Mountain BizCapital (formerly Mountain Microenterprise Fund and Mountain Microenterprise Loan Fund).

Projected Outcomes for Non-Housing Community Development Programs

Programs	Annual Target	This Year's Allocations will Assist
Water / Sewer Improvements	1000 linear feet	-
Street / Sidewalk Improvements	400 linear feet	3000 lf
Transportation Accessibility	Varies	-
Financial, Housing and Family Support Services	1200 persons	1812 persons
Homeless & Homeless Prevention Services	1,500 persons	3124 persons
Youth Services	80 persons	39
Micro-Enterprise Assistance	160 persons	48
Job Training	20 persons	-

Note: Annual targets are averages - it is not expected that every program area will be addressed each year

Administration, Planning and Capacity Building (CDBG: \$310,681; HOME: \$200,379)

The City of Asheville uses CDBG and HOME funds for program administration. In addition, some HOME funds are granted to our four Community Housing Development Organizations (CHDOs) for general operating expenses. CDBG funds are also used to support three subrecipient programs that provide community organizing, coordination, grant-writing, and capacity building services that enhance the delivery of community development programs in Asheville..

Debt Service (CDBG: \$66,500)

Sufficient funds are set aside to make required principal and interest payments to HUD on the City's 1999 Section 108 Guaranteed Loan, which was used for rehabilitation of rental properties. Repayments due on the 2003 loan for South Pack Square redevelopment will be met from the unexpended loan balance.

Contingency (CDBG \$156,265)

A larger-than-usual amount is set aside in contingency this year, reflecting the uncertainty of some of the anticipated program income.

Leverage

The Action Plan project detail (Section IV) shows that eligible activities will be accomplished by using not only federal CDBG and HOME funds, but also an estimated \$36,392,000 of leveraged federal and non-federal funds. **For every \$1.00 of CDBG and HOME funds (including any prior year funding) there will be an additional \$9.40 of leveraged funds** to complete the activity.

Low- and Moderate-Income Benefit

100% percent of the funds **allocated** in this Plan (excluding administration and planning activities) will be used to directly benefit people with household income below 80% of area median income. We expect that the great majority of the people benefiting will actually be below 50% of median income, with a significant proportion below 30%.

Geographic Distribution of Projects

A. City of Asheville

The first map in Section V of the Plan shows the distribution of CDBG and HOME-funded projects in Asheville. Where the location of activities is not yet known (e.g. emergency repairs), the location of the agency managing the program is shown. Most agencies and human services projects are clustered in the downtown area where they are accessible to surrounding low-income areas by foot or by bus.

Neighborhood Revitalization Strategy Area

The West Riverside Neighborhood Revitalization Strategy Area, which is also the City's Weed & Seed operations area, is now a major target for community development funding. In 2006-07, two improvement projects were funded at Pisgah View Apartments in the heart of West Riverside. This year, two projects are funded on Burton Street: traffic calming and renovation of Community Center. Funding has also been provided for Neighborhood Housing services to provide community organizing services to assist the City's Weed & Seed coordinator. We also expect several city-wide CDBG-funded programs to be marketed within the Weed & Seed area, including homebuyer assistance, emergency repairs, small business development, and financial counseling. Weed & Seed funding through the Department of Justice will be used to fund the coordinator position, and crime prevention and social services programs.

B. The Remainder of the Consortium Area

The second map in Section V shows the distribution of projects outside Asheville that will be supported with HOME funds in 2005/06. Activities will take place throughout Buncombe, Henderson, and Madison Counties. Most of the activities (rehabilitation, downpayment assistance, and single family new construction) will be at scattered sites that have yet to be determined.

The Consortium ensures equitable distribution of HOME funds among its member governments by using an allocation formula similar to that used by HUD in its distribution of funding nationally. This formula divides available funds into local "planning levels". Member Governments that propose eligible and feasible projects within their planning level are assured of at least this level of funding.

Homeless Programs

The City is actively implementing the 10-year Plan to End Homelessness in Asheville and Buncombe County, adopted in 2005. This year, we will continue funding to the Affordable Housing Coalition for coordinating activities, to Pisgah Legal Services for resource development and homeless prevention services, and to Homeward Bound (formerly Hospitality House) for operating the A Hope day shelter and associated programs.

An important new initiative this year is a HOME grant to Homeward Bound for tenant-based rent assistance (TBRA) to enable chronically homeless individuals with very little income to access

rental units in the community. An associated CDBG grant will enable Homeward Bound to provide housing placement and other essential supportive services.

In all, 13 new or continuing programs are funded this year which will significantly help the homeless or prevent homelessness:

Program	Project ID#	Helps the Homeless	Prevents Homelessness
Homeward Bound – Homeless programs	9	Yes	
Homeward Bound – Supportive hsg. svcs.	10	Yes	
Homeward Bound TBRA	29	Yes	
AHC – Homeless Initiative	4	Yes	Yes
Helpmate – Domestic violence services	8	Yes	Yes
PLS – Homeless prevention program	20	Yes	Yes
PLS – Resource Development	21	Yes	Yes
AHC – HomeBase housing services	3	Yes	Yes
AHC – TBRA	24	Yes	Yes
MHO – Housing for Veterans	35	Yes	Yes
MHO – Emergency Repairs	13		Yes
MHO – Tier II Repairs	14		Yes
CCCS – Credit Counseling	7		Yes

Additionally, four Asheville homeless service providers have been awarded \$688,898 in McKinney-Vento Supportive Housing funds (also called Continuum of Care funding) which will enable three key existing programs to continue.

This years funding addresses the following Strategic Plan objectives for Homelessness:

Target	Addressed this Year
#1 Identify the Lead Entity for implementing the 10-Year Plan	Done
#2 Implement the Homeless Management Information System	Yes
#3 Provide Housing First accommodation to 30 chronic homeless in Woodfin Apartments, Griffin Apartments, and Housing Authority apartments.	Done
#4 Develop plan to identify or construct 70 additional units of permanent supportive housing each year.	Yes (10)
#5 Expand to two Homeless ACT Teams, adding substance abuse expertise.	Yes
#6 Reduce (point-in-time) chronic homeless number to no more than 150 by 2008	Yes
#7 Further reduce chronic homelessness to a minimal number by 2015.	Yes

Public Housing

The Housing Authority of the City of Asheville (HACA) is an independent entity, directly funded by HUD. The Mayor of the City of Asheville appoints its Board members, but the City has no direct control over its funding or operations. Nonetheless, there is a long history of cooperation and collaboration by the two bodies.

The most exciting development this year is the **Weed and Seed initiative** approved and funded by the Department of Justice in 2006, which encompasses HACA's largest public housing community, Pisgah View apartments, as well as the Burton Street community and other neighborhoods in the West Riverside area. The City is now working actively with HACA, with public housing residents, and with other stakeholders to implement the Weed & Seed Plan. Activities focus on one hand on increased policing and crime prevention measures, including the new **security system at the Pisgah View Apartments** which received CDBG funds in 2006, and **traffic calming** measures on Burton Street, funded this year. . The other focus is on social service programs. CDBG funding was committed late in 2006 to a new **Community Services Center in Pisgah View**, now under construction, and will now goes to renovating the **Burton Street Community Center** as well. CDBG funding will also go to Neighborhood Housing Services of Asheville (NHS) for **community organizing** in support of the City's newly hired Weed & Seed coordinator.

Outside the Weed & Seed area, CDBG funds will assist a new resident-led initiative at **Lee Walker Heights Apartments** to improve their community by repainting the exterior of the buildings, improving landscaping, and adding amenities such as a picnic area and neighborhood signs.

The City will also continue to use CDBG funds to support HACA's **Hillcrest Youth Enrichment program**, providing educational and recreational programs for young people living in public housing.

HACA maintains an active **homeownership program** for public housing residents and housing choice voucher holders. We expect that some of the CDBG, HOME, and ADDI funds committed to NHS's homeownership loan pool will be used to assist public housing residents and voucher holders make the transition from subsidized housing to homeownership.

Other Actions

This Action Plan includes projects that address other action areas identified as priorities by HUD. Specifically, the following areas are addressed in this Plan:

- **Commitment to Fair Housing.** The City of Asheville and Buncombe County continue their commitment to Fair Housing through increased support for the Asheville-Buncombe Fair Housing Commission and its executive agency, Asheville-Buncombe Community Relations Council. ABCRC receives financial support from City and County general funds, CDBG, and HUD FHAP funds. The City's CDBG grant increases by \$30,000 (150%) this year.
- **Foster and maintain affordable housing** – see Housing section

- **Remove barriers to affordable housing.** The City of Asheville, and Buncombe, Henderson and Transylvania counties have all prepared detailed responses to HUD's Initiative of Barrier Removal. This information is contained in the Strategic Plan. Many of the strategies recommended in that Plan for encouraging affordable housing development deal with removing regulatory barriers, e.g. allowing additional density in zoned areas.
- **Evaluate and reduce lead based paint hazards.** All CDBG- and HOME-assisted rehabilitation projects are carried out in compliance with HUD regulations on lead based paint hazards, which require complete abatement of lead-based paint wherever CDBG or HOME funds are used for substantial rehabilitation, and lead-safe work practices and clearance testing in other rehabilitations.
- **Reduce the number of poverty level families.** Making the assumption that poverty level is close to 30 percent of median income (HUD's "very low-income" level), we conclude that 22 of the 35 non-admin programs are significantly targeted to persons in poverty (#2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 19, 20, 21, 24, 29, 30, 31, 35, 37)
- **Develop institutional structure and enhance coordination.** The City of Asheville has developed close working relationships with a network of private and public non-profit agencies. It works particularly closely with the Housing Authority of the City of Asheville, the Affordable Housing Coalition, the Weed & Seed Steering Committee, and the Homeless Coalition. The grants to Pisgah Legal Services, the Affordable Housing Coalition, and Neighborhood Housing services for coordination and capacity building are particularly important in this regard.
- **Foster public housing improvements and resident initiatives.** See the section on public housing.

Citizen Participation

City Community Development staff began preparation for the Action Plan in November 2006 with public meetings in Asheville and Brevard.

Application forms for CDBG and HOME funding were handed out at the initial meetings and made available on the web. In December 2006, staff held a training session for potential grant applicants on completing the grant applications and gave extensive one-on-one advice to all new applicants.

The Asheville Regional Housing Consortium and the City's Housing & Community Development Committee held several meetings in March 2007 to interview applicants and consider allocations. These meetings were open to the public.

We published a summary of the proposed Action Plan in the Asheville-Citizen Times on March 25. [A further public hearing took place on April 10 at the regularly scheduled meeting of Asheville City Council, and the plan was finally approved by Council April 24, 2007.]

We maintain citizen participation throughout the year with active involvement in projects as they are planned and implemented, particularly in the West Riverside Revitalization Area.

Several times a year, City staff provide information on the CDBG and HOME programs joint “neighborhood tours” by staff and citizens. Information on the programs can be found on the City’s web site and weekly “eNews”. Citizens regularly attend meetings of the City’s Housing and Community Development Committee and the Asheville Regional Housing Consortium Board.

Comments made at the three public hearings and those submitted in writing are summarized below:

Asheville Public Meeting - November 15, 2006 – 24 people attended

Staff made a short presentation about the CDBG and HOME programs and then asked for questions and comments.

- Vicky Wrenn (resident at Pisgah View Apts) voiced concern that the after-school program at Pisgah View Apartments is losing funding and may have to close.
- Molly Sprengelmeyer (BeHive Community Center) asked if new non-profits could work in partnership with established non-profits. A – Yes, the established non-profit should be the fiscal party and apply for the funds.
- Janelle Kapoor (Kleiwerks) asked if CDBG could fund workshops to teach people to build sustainable housing. A – Yes, as a public service (subject to cap) 51% of participants must be low-income
- Lance Edwards (United Way) asked who makes the decisions on allocations and if they read every application. A – Staff read and evaluate each application. The HCD Committee or the Consortium Board read every application, interviews applicants, and makes funding recommendations. City Council makes the final decisions.
- Benny Lake (Upfront Management Sports) asked if crime prevention programs are eligible. A – Yes, but again subject to the public service cap. HACA could be the requesting agency. There may be more flexibility under the weed and seed funding.
- Shirleigh Moog (NAACP) was very concerned about the lack of bus shelters or even a place to sit while waiting for the bus. The West Asheville bridge has a bus stop on either side of the road, with no place anywhere to shelter or sit. People are often seen sitting on the grass or curb, waiting for the bus.
- Debbie Ivestor (City Parks and Rec.) asked if the environmental review has to be done prior to application. A – No, just before any work starts. It looks at many things – noise, historic value, gas tanks, wetlands, etc.
- Janelle Kapoor asked if one organization could make more than one funding request.
 - A – Yes, MHO and NHS get several. Would like the applicant to be experienced.
- John Sarver (Sarver Housing Group, Inc.) asked to know more about the Weed and Seed program. A – The steering committee has just gotten started – consists of area residents, city staff, and others. The grant was for \$175,000 and half must be spent on policing. A good part of the other half needs to go toward hiring a full time coordinator, a position which is currently being advertised. More funding is needed, so CDBG funding in projects

in the area would be helpful. We plan to award extra points for projects in the Weed and Seed area.

- Debbie Ivester asked if they should specify on the application if the project is located in the Weed and Seed area. A – absolutely
- John Sarver asked if HUD is involved in the Weed and Seed Program. A – Not directly, but we are requesting NRSA designation for the same area, which HUD does recognize and allows greater flexibility for CDBG funding.

Brevard Public Meeting – November 14, 2006 – 16 people attended

Asheville CD staff made a short presentation about the 2007 Action Plan, with an emphasis on the HOME program. Many of the attendees represented local governments and organizations that participate in the HOME program. They had the following comments and questions:

- There was some discussion from the group about the need for rehab v/s new construction in the community. Rodney Locks pointed out that rehab was very important and could be a cost effective way to provide affordable housing.
- It was noted that Hendersonville County Habitat was very active, could Transylvania County Habitat could also receive HOME funds? Staff responded that they could apply through Madison County for HOME funds.
- There were inquiries about the funding levels for different participating jurisdictions and staff described how the funding levels worked. Some attendees noted that there wasn't very much reserved for the smaller jurisdictions and staff explained that the consortium can choose to fund a project for a higher amount than the funding level – the English Hills project in Brevard was given as an example.
- Someone asked if co-housing was eligible for funding and staff responded that they thought it would be, depending on the project details.
- Staff responded to additional questions and comments, one-on-one, before and after the meeting.

Final Public Hearing at Asheville City Council Meeting - April 10, 2007

[comments to be added after the meeting].

Written Comments Received

[Comments to be added at the end of the public comment period]

Timetable for Implementation

The City expects to maintain its excellent record for allocating and spending HOME and CDBG funds in a timely way. The expected completion date for each activity is shown in the project details in Section IV. Most non-housing activities are expected to be completed by June 30, 2008, while the larger housing developments may not be finally completed until 2009 or 2010.

[At April ---, 2007, we had \$---- in CDBG funds available to draw, below HUD's ceiling of 1.5 times the 2005 entitlement grant.]

Matching Funds (HOME Program only)

The Consortium is required to demonstrate that every \$100 of HOME funds expended on projects is matched by expenditures of \$25 from non-federal sources. However, matching funds expended in prior years on certain projects have greatly exceeded the required amount, thus creating a "match credit". At June 30, 2006, the total match credit stood at \$1,430,387, after meeting the 2005-06 match liability of \$365,156. Due to this large amount of match credit, the Consortium is not requiring agencies to commit new matching funds to each project during the next program year. There is no required match for CDBG funds.

Resale/Recapture Provisions of Homeownership Activities (HOME Program only)

When HOME funds are used to assist home-ownership, the regulations require that the unit remain affordable for a minimum period, specified in the following table, regardless of any subsequent sale:

<u>HOME Funds Invested Per Unit</u>	<u>Minimum Period of Affordability</u>
Less than \$15,000	5 years
\$15,000 - \$40,000	10 years
More than \$40,000	15 years

This period of affordability must be enforced by either "resale" or "recapture" requirements. Under "resale" restrictions, if the original buyer sells the home within the affordability period, the subsequent sale must be at a price affordable to another qualified low-income buyer who will use the property as its principal residence. Under "recapture" provisions, if the property is sold or transferred during the affordability period, all or part of the original HOME investment must be repaid at sale and used for other affordable, HOME-eligible housing activities. **The Consortium has opted to apply the "recapture" provisions, since all HOME funds are invested as a direct homebuyer subsidy.**

HOME funds for homeownership are provided in the form of a non-amortizing, deferred second mortgage loan, usually at zero percent interest, secured with a Promissory Note and Deed of Trust in a form provided by the City of Asheville. The amount is limited to the minimum required to make the unit affordable to the individual buyer, and is repayable in full when the home is sold. The term of the second mortgage loan may be limited to the required affordability period or may run with the first mortgage. At the end of the term the loan may be either repayable or forgiven. Recaptured funds are generally retained by the agency that developed and sold the house to the original buyer and must be used for other HOME-eligible affordable housing activities

For example, if a low-income family wanted to purchase a HOME-assisted house priced at \$100,000, but could qualify for a first mortgage of only \$80,000, HOME funds in the amount of \$20,000 could be used for a second mortgage to make the house affordable to that family. The HOME funds could carry a zero percent interest rate with no monthly payments, so that the owner makes monthly payments only on the \$80,000 first mortgage. If at any time during the affordability period the owner sells the house, the \$20,000 second mortgage investment would be due and payable. The owner would retain any equity realized through market appreciation and through paying down the principal on the first mortgage. In the rare event that the proceeds of sale are insufficient to repay both the second (HOME) mortgage and the balance on the first mortgage, the amount of HOME funds recaptured would be reduced.

If the home is sold to another low-income buyer, then it is allowable for the second mortgage to be assumed by the new buyer to run for at least the remainder of the affordability period.

Some agencies are using an enhanced recapture provision, under which the second mortgage accrues interest at the same rate as the rate of appreciation in the value of the unit. The interest is deferred until resale. The total repayment will then be in the same proportion to the re-sale price as the initial subsidy was to the original price. Using the example above, in which the HOME subsidy was 20% of the initial sales price, suppose that the \$100,000 house appreciated in value so that it resold after 10 years for \$150,000 (net of selling costs and the cost of major improvements). That 50% price appreciation would trigger a 50% interest accrual on the second mortgage – requiring a recapture of \$30,000. The amount recaptured is exactly 20% of the appreciated value of the house.

This enhanced recapture, also called equity sharing, ensures that the recaptured HOME funds will be enough to assist another homebuyer into homeownership despite the inflation in house prices.

CHDO Set-aside (HOME Program only)

HOME regulations require that at least 15% of the HOME Entitlement grant be set aside to fund housing development projects by non-profit organizations that qualify under HOME regulations as Community Housing Development Organizations (CHDO). This Action Plan far exceeds that requirement, as the following list of CHDO projects shows:

<u>CHDO</u>	<u>Activity/Project</u>	<u>Project ID</u>	<u>HOME Funds (\$)</u>
Housing Assistance Corporation	New construction of single family homes on scattered sites	26	81,276

Mountain Housing Opportunities	Glen Rock Apartments	31	199,076
Mountain Housing Opportunities	Clingman Lofts	32	99,076
Mountain Housing Opportunities	Ralph Street Development	33	176,606
Mountain Housing Opportunities	Self-help Development in Black Mountain	34	139,076
Mountain Housing Opportunities	Pre-development loan for veterans housing	35	48,076
Total CHDO Allocation:			<u>743,186</u>

Monitoring

The City's monitoring policy for activities carried out under grant or loan agreements with other agencies is set out in the Strategic Plan for 2005-2010.

The planned schedule for monitoring reviews in 2006-07 is shown below. On-site reviews targeted to areas of risk are planned for most current CDBG and HOME activities, supplemented as needed by inspections of construction sites and desk reviews of agencies' reports. Periodic inspections of completed HOME-assisted multifamily developments take place throughout their affordability period (5-15 years) to ensure that property standards, rents, and tenant income continue to meet program rules.

[Monitoring Schedule to be inserted]

Section III

CERTIFICATIONS AND STANDARD FORMS

CERTIFICATIONS

In accordance with the applicable statutes and the regulations governing the consolidated plan regulations, the jurisdiction certifies that:

Affirmatively Further Fair Housing -- The jurisdiction will affirmatively further fair housing, which means it will conduct an analysis of impediments to fair housing choice within the jurisdiction, take appropriate actions to overcome the effects of any impediments identified through that analysis, and maintain records reflecting that analysis and actions in this regard.

Anti-displacement and Relocation Plan -- It will comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, and implementing regulations at 49 CFR 24; and it has in effect and is following a residential anti-displacement and relocation assistance plan required under section 104(d) of the Housing and Community Development Act of 1974, as amended, in connection with any activity assisted with funding under the CDBG or HOME programs.

Drug Free Workplace -- It will or will continue to provide a drug-free workplace by:

1. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition;
2. Establishing an ongoing drug-free awareness program to inform employees about -
 - (a) The dangers of drug abuse in the workplace;
 - (b) The grantee's policy of maintaining a drug-free workplace;
 - (c) Any available drug counseling, rehabilitation, and employee assistance programs; and
 - (d) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;
3. Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph 1;
4. Notifying the employee in the statement required by paragraph 1 that, as a condition of employment under the grant, the employee will -
 - (a) Abide by the terms of the statement; and
 - (b) Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;
5. Notifying the agency in writing, within ten calendar days after receiving notice under subparagraph 4(b) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer or other designee on whose grant activity the convicted employee was working, unless the Federal agency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;
6. Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph 4(b), with respect to any employee who is so convicted -
 - (a) Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or
 - (b) Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;

7. Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs 1, 2, 3, 4, 5 and 6.

Anti-Lobbying -- To the best of the jurisdiction's knowledge and belief:

1. No Federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement;
2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, it will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions; and
3. It will require that the language of paragraph 1 and 2 of this anti-lobbying certification be included in the award documents for all sub-awards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

Authority of Jurisdiction -- The consolidated plan is authorized under State and local law (as applicable) and the jurisdiction possesses the legal authority to carry out the programs for which it is seeking funding, in accordance with applicable HUD regulations.

Consistency with plan -- The housing activities to be undertaken with CDBG, HOME, ESG, and HOPWA funds are consistent with the strategic plan.

Section 3 -- It will comply with section 3 of the Housing and Urban Development Act of 1968, and implementing regulations at 24 CFR Part 135.

Signature of Authorized Official

Date

Vice-Mayor
Title

Specific CDBG Certifications

The Entitlement Community certifies that:

Citizen Participation -- It is in full compliance and following a detailed citizen participation plan that satisfies the requirements of 24 CFR 91.105.

Community Development Plan -- Its consolidated housing and community development plan identifies community development and housing needs and specifies both short-term and long-term community development objectives that provide decent housing, expand economic opportunities primarily for persons of low and moderate income. (See CFR 24 570.2 and CFR 24 part 570)

Following a Plan -- It is following a current consolidated plan that has been approved by HUD.

Use of Funds -- It has complied with the following criteria:

1. Maximum Feasible Priority. With respect to activities expected to be assisted with CDBG funds, it certifies that it has developed its Action Plan so as to give maximum feasible priority to activities which benefit low and moderate income families or aid in the prevention or elimination of slums or blight. The Action Plan may also include activities which the grantee certifies are designed to meet other community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community, and other financial resources are not available;
2. Overall Benefit. The aggregate use of CDBG funds including section 108 guaranteed loans **during the program year 2007-08**, shall principally benefit persons of low and moderate income in a manner that ensures that at least 70 percent of the amount is expended for activities that benefit such persons during the designated period;
3. Special Assessments. It will not attempt to recover any capital costs of public improvements assisted with CDBG funds including Section 108 loan guaranteed funds by assessing any amount against properties owned and occupied by persons of low and moderate income, including any fee charged or assessment made as a condition of obtaining access to such public improvements.

However, if CDBG funds are used to pay the proportion of a fee or assessment that relates to the capital costs of public improvements (assisted in part with CDBG funds) financed from other revenue sources, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than CDBG funds.

The jurisdiction will not attempt to recover any capital costs of public improvements assisted with CDBG funds, including Section 108, unless CDBG funds are used to pay the proportion of fee or assessment attributable to the capital costs of public improvements financed from other revenue sources. In this case, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than CDBG funds. Also, in the case of properties owned and occupied by moderate-income (not low-income) families, an assessment or charge may be made against the property for public improvements financed by a source other than CDBG funds if the jurisdiction certifies that it lacks CDBG funds to cover the assessment.

Excessive Force -- It has adopted and is enforcing:

1. A policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in non-violent civil rights demonstrations; and
2. A policy of enforcing applicable State and local laws against physically barring entrance to or exit from a facility or location which is the subject of such non-violent civil rights demonstrations within its jurisdiction;

Compliance With Anti-discrimination laws -- The grant will be conducted and administered in conformity with title VI of the Civil Rights Act of 1964 (42 USC 2000d), the Fair Housing Act (42 USC 3601-3619), and implementing regulations.

Lead-Based Paint -- Its notification, inspection, testing and abatement procedures concerning lead-based paint will comply with the requirements of 24 CFR §570.608;

Compliance with Laws -- It will comply with applicable laws.

Signature of Authorized Official

Date

Vice-Mayor
Title

Specific HOME Certifications

The HOME participating jurisdiction certifies that:

Tenant Based Rental Assistance -- If the participating jurisdiction intends to provide tenant-based rental assistance:

The use of HOME funds for tenant-based rental assistance is an essential element of the participating jurisdiction's consolidated plan for expanding the supply, affordability, and availability of decent, safe, sanitary, and affordable housing.

Eligible Activities and Costs -- it is using and will use HOME funds for eligible activities and costs, as described in 24 CFR § 92.205 through 92.209 and that it is not using and will not use HOME funds for prohibited activities, as described in § 92.214.

Appropriate Financial Assistance -- before committing any funds to a project, it will evaluate the project in accordance with the guidelines that it adopts for this purpose and will not invest any more HOME funds in combination with other Federal assistance than is necessary to provide affordable housing;

Signature of Authorized Official

Date

Vice-Mayor
Title

APPENDIX TO CERTIFICATIONS

INSTRUCTIONS CONCERNING LOBBYING AND DRUG-FREE WORKPLACE REQUIREMENTS:

A. Lobbying Certification

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

B. Drug-Free Workplace Certification

1. By signing and/or submitting this application or grant agreement, the grantee is providing the certification.
2. The certification is a material representation of fact upon which reliance is placed when the agency awards the grant. If it is later determined that the grantee knowingly rendered a false certification, or otherwise violates the requirements of the Drug-Free Workplace Act, HUD, in addition to any other remedies available to the Federal Government, may take action authorized under the Drug-Free Workplace Act.
3. Workplaces under grants, for grantees other than individuals, need not be identified on the certification. If known, they may be identified in the grant application. If the grantee does not identify the workplaces at the time of application, or upon award, if there is no application, the grantee must keep the identity of the workplace(s) on file in its office and make the information available for Federal inspection. Failure to identify all known workplaces constitutes a violation of the grantee's drug-free workplace requirements.
4. Workplace identifications must include the actual address of buildings (or parts of buildings) or other sites where work under the grant takes place. Categorical descriptions may be used (e.g., all vehicles of a mass transit authority or State highway department while in operation, State employees in each local unemployment office, performers in concert halls or radio stations).
5. If the workplace identified to the agency changes during the performance of the grant, the grantee shall inform the agency of the change(s), if it previously identified the workplaces in question (see paragraph three).
6. The grantee may insert in the space provided below the site(s) for the performance of work done in connection with the specific grant:

Place of Performance (Street address, city, county, state, zip code):

**City Hall Building
70 Court Plaza
Asheville, NC 28801**

Check ___ if there are workplaces on file that are not identified here.

7. Definitions of terms in the Non-procurement Suspension and Debarment common rule and Drug-Free Workplace common rule apply to this certification. Grantees' attention is called, in particular, to the following definitions from these rules:

"Controlled substance" means a controlled substance in Schedules I through V of the Controlled Substances Act (21 U.S.C. 812) and as further defined by regulation (21 CFR 1308.11 through 1308.15);

"Conviction" means a finding of guilt (including a plea of nolo contendere) or imposition of sentence, or both, by any judicial body charged with the responsibility to determine violations of the Federal or State criminal drug statutes;

"Criminal drug statute" means a Federal or non-Federal criminal statute involving the manufacture, distribution, dispensing, use, or possession of any controlled substance;

"Employee" means the employee of a grantee directly engaged in the performance of work under a grant, including: (i) All "direct charge" employees; (ii) all "indirect charge" employees unless their impact or involvement is insignificant to the performance of the grant; and (iii) temporary personnel and consultants who are directly engaged in the performance of work under the grant and who are on the grantee's payroll. This definition does not include workers not on the payroll of the grantee (e.g., volunteers, even if used to meet a matching requirement; consultants or independent contractors not on the grantee's payroll; or employees of subrecipients or subcontractors in covered workplaces).

Section IV

DETAILS OF PROPOSED PROJECTS

Short Project Descriptions

CDBG Projects

Asheville Area Habitat for Humanity - Housing Services **\$80,000**

This grant funds housing services to Habitat's homebuyers: outreach, client selection, education and counseling and post-purchase support. Services provided at 30 Meadow Road, and Enka Hills development off Sand Hill Road where Habitat will build 16 homes in 2007-08.

Asheville-Buncombe Community Relations Council - Fair Housing Enforcement **\$50,000**

The grant will provide funding for Fair Housing education and the investigation of complaints of housing discrimination. The agency will serve an estimated total of 525 clients at 50 South French Broad Avenue.

Affordable Housing Coalition - HomeBase Housing Services **\$60,000**

AHC provides rental education and housing counseling for very low income people with housing problems, including the elderly, disabled, and homeless. An estimated 145 people will receive services at 34 Wall Street and other locations. HOME funds will provide direct rent assistance, where needed.

Affordable Housing Coalition - Homeless Initiative (10-Year Plan) **\$30,000**

AHC will continue to take the lead role in coordinating the implementation of Asheville and Buncombe County's 10-Year Plan to End Homelessness. The agency is based at 34 Wall Street.

Burton Street Traffic Calming **\$15,000**

The City's Traffic Engineering Division will install traffic calming measures on Burton Street. Exact nature and location of measures will depend on resident input. This project supports the Weed & Seed initiative.

Burton Street Community Center **\$155,000**

The City's Parks and Recreation Department will carry out much-needed improvements to the Burton Street Community Center, including replacement of doors and windows and installation of central air-conditioning. This project supports the Weed & Seed initiative.

Consumer Credit Counseling Services **\$30,000**

This grant will help CCCS provide financial counseling and homebuyer education to approximately 1240 Asheville residents to help them stabilize their financial situations, and work towards homeownership. Services provided at 50 South French Broad Ave. and other locations.

Helpmate – Victims of Domestic Abuse **\$8,000**

This grant will be used by Helpmate in providing intensive case management to victims of domestic abuse and their children, at 116 Veronica Lane.

Homeward Bound of Asheville – Homeless Programs **\$90,000**

This grant will assist Homeward Bound (formerly Hospitality House) provide a wide variety of services for homeless people, including street outreach, day and overnight shelter at 19 North Ann St and at area churches. Included are counseling, assistance in obtaining benefits, and access to other services. An estimated 2800 people will benefit

Homeward Bound - Supportive Housing Services **\$30,000**

Homeward Bound will use this CDBG grant in coordination with a HOME grant to provide supportive services to 10 chronically homeless individuals or families entering permanent rental housing (city-wide) and also to 33 others already in permanent housing.

Housing Authority of the City of Asheville - Hillcrest Youth Enrichment

\$34,000

This grant continues support for the long-established after-school and summer program for children who live in Hillcrest Apartments and other public housing communities. 39 participants will enjoy homework assistance, snacks, and recreational activities at Hillcrest's Carl E. Johnson Community Center.

Housing Authority of the City of Asheville - Lee Walker Heights **\$20,000**

The Housing Authority will manage this grant for residents of Lee Walker Heights Apartments to carry out their own program of improvements, including exterior painting, landscaping, picnic areas and other improvements.

Mountain Housing Opportunities - Emergency Repair **\$156,000**

This grant will fund emergency repairs to approximately 39 owner-occupied homes in Asheville whose occupants are low-income elderly, disabled, single parent, or large families, and whose health and safety are at risk.

Mountain Housing Opportunities - Tier II Home Repair **\$150,000**

This grant will continue funding for the Tier II Home Repair program. Emergency repairs will be made to approximately 12 owner-occupied homes in Asheville, with more than one repair to be addressed, whose occupants are low-income elderly, disabled, single parent, or large families, and whose health and safety are at risk.

Mountain Housing Opportunities - Housing Services **\$133,000**

This grant funds services related to the construction, rehabilitation, and management of HOME-assisted affordable housing. Services include client intake, project development, and property management and will be provided at 64 Clingman Avenue. Units to be counted under individually funded CDBG and HOME projects.

Mountain BizWorks - Micro-Business Development **\$120,000**

This funding will help provide training and technical assistance to approximately 95 entrepreneurs in the City of Asheville to enable them to start, expand or sustain their own small business. This grant will also fund the operation of the loan pool. Services provided at 29 ½ Page Avenue.

Mountain BizCapital - Small Business Loan Pool **\$108,000**

This grant will provide capital to fund approximately 10 small business loans to low-to-moderate income entrepreneurs in the City of Asheville who have difficulty obtaining loans from traditional lending institutions. Mountain BizCapital is located at 29 ½ Page Avenue.

Neighborhood Housing Services - Direct Homebuyer Assistance **\$382,250**

This grant will provide funding for deferred loans to low-income buyers to make affordable homeownership possible. Administration to include client-intake, pre- and post-purchase counseling, loan underwriting, and loan servicing and will be provided at 135 Cherry Street.

Neighborhood Housing Services - Community Organizing **\$10,000**

This grant will fund the services of a Community Organizer, who will work closely with residents in the Weed & Seed area to facilitate their involvement in the revitalization effort and also in area manufactured home parks.

Pisgah Legal Services - Homelessness Prevention **\$30,000**

This funding will help provide legal and technical assistance to approximately 60 very low-income persons to obtain or preserve public housing, and legal assistance in securing Supplemental Security and Medicaid benefits for 16 low-income persons with disabilities. Services provided at 89 Montford Avenue.

Pisgah Legal Services - Resource Development **\$40,000**

The grant will continue funding to provide legal and technical assistance to organizations that provide shelter, housing, and urgently needed services to homeless persons in Asheville, and to prepare Asheville's annual HUD Continuum of Care application. Located at 89 Montford Ave.

Section 108 Debt Service **\$66,500**

Repayment of principal and interest on the City's Section 108 Federally Guaranteed loans.

Program Administration & Planning **\$230,681**

Funds are used for the administration of the CDBG program by the City of Asheville, in compliance with federal regulations. Four staff undertake financial management, program planning, and evaluation, environmental reviews, monitoring subrecipients, providing technical assistance, facilitating citizen participation, and reporting.

Contingency **\$156,265**

Funds are held in reserve to cover unexpected cost over-runs or program income shortage.

HOME Projects

Affordable Housing Coalition –Tenant Based Rent Assistance **\$31,076**

Continued funding for tenant-based rental assistance to help very low income families stabilize their rental housing in Asheville and Buncombe County. Will provide security deposits and up to two months rent for approximately 58 households. Program is operated from 34 Wall Street, Asheville.

Buncombe County/NHS – Direct Homebuyer Assistance **\$164,076**

NHS will use HOME funds to provide direct homebuyer assistance loans of up to \$20,000 to at least eight low-income families in Buncombe County. Program is operated from 135 Cherry Street, Asheville.

Housing Assistance Corporation – Scattered Site N/C **\$81,276**

HAC plans to build up to seven S/F detached homes on scattered sites in Henderson County. The homes will be affordable to low-income buyers.

Henderson County – Downpayment Assistance **\$64,076**

Downpayment assistance will be available for approximately six low-income families in Henderson County. Program will be administered by Housing Assistance Corp.

Henderson County Habitat for Humanity – Shuey Knolls **\$159,076**

Continued funding for Shuey Knolls subdivision on Hwy 64 in Henderson County. These funds will be used for infrastructure and road construction that will serve 18 new homes for low- and very low-income homebuyers in Phase II of the development.

Homeward Bound –Tenant Based Rent Assistance **\$44,076**

A new program to provide rent support for 10 chronically homeless individuals or families entering permanent housing in Asheville. Extensive support services (to be assisted by CDBG) will assist the tenants to remain in stable housing. The program will be an important element in implementing the 10-year Plan to End Homelessness.

Madison County – Homeowner Rehabilitation **\$90,326**

Rehabilitation of 10 single-family housing units occupied by very low-income homeowners, throughout Madison County. Administered by Community Housing Coalition of Madison County.

Mountain Housing Opportunities – Glen Rock Apartments **\$199,076**

New construction of 60 rental units on Depot Street, Asheville for low- and very low-income households. 11 units will be designated HOME-assisted. Developed by MHO acting as a CHDO (see footnote).

Mountain Housing Opportunities – Clingman Lofts **\$99,076**

Development of 21 condominiums on Clingman Avenue in Asheville. 11 units will be HOME-assisted and affordable to low-income buyers. Developed by MHO as CHDO.

Mountain Housing Opportunities – Ralph Street Development **\$176,606**

MHO will build approximately 80 condominium units on a City-owned parcel on Ralph Street in Asheville. 20 units will be affordable to low-income buyers, of which 11 will be designated as HOME-assisted. Developed by MHO as CHDO.

Mountain Housing Opportunities – Self Help Homeownership **\$139,076**

New construction of 9 homes and rehab of an existing home at MHO's Self-Help homeownership development on Central Avenue in Black Mountain. This program will require "sweat-equity" from the low-income homeowners. Developed by MHO as CHDO.

Mountain Housing Opportunities – Housing for Veterans **\$48,076**

Funds will be used as pre-development loan to determine feasibility of developing rental housing specifically for homeless veterans. Operated by MHO as CHDO.

Neighborhood Housing Services – American Dream Downpayment Initiative

\$24,926

Downpayment and closing cost assistance for approximately 3 low-income first-time homebuyers. Housing units can be newly constructed or resale units. Administered by NHS as a subrecipient.

VOAC – Skyland Apartments

\$164,077

Development of 63 units of rental housing on Springside Road in Asheville, for occupancy by very low-income elderly persons. Eleven units will be designated as HOME-assisted. The developer will be Volunteers of America of the Carolinas.

COA HOME Program Administration

\$133,586

Administration of the HOME Program by the City of Asheville's Community Development Division. Tasks include financial management, program planning, evaluating grant requests, monitoring CHDOs and subrecipients, providing technical assistance, and reporting.

CHDO (Non-Profit) Operating Expense

\$66,793

Operating funds for the 4 CHDOs in the Consortium's area who are actively developing and managing HOME-assisted housing. Funds are divided equally between Mountain Housing Opportunities, Housing Assistance Corporation, Western Carolina Community Action, and Neighborhood Housing Services.

Note: CHDO (Community Housing Development Organization): a community-based non-profit that meets certain HUD guidelines and can use HOME funds with a greater degree of flexibility and autonomy than other organizations.

[further detailed information to be added on other funding sources, eligibility categories, etc.)

Section V

MAPS

[to be inserted]

[Standard Federal Application Form 424 to be inserted]